Saskatchewan
Agriculture

Annual Report
1986

Saskatchewan Natural Products Marketing Council

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Table of Contents

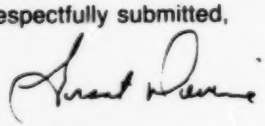
	Page
Letters of Transmittal	1
Duties of Council	2
Saskatchewan Natural Products Marketing Council Members	2
Introduction	3
Supervision of Marketing Boards and Commissions	3
Approval of Board and Commission Marketing Orders	4
New Marketing Plans Reviewed in 1986	5
Saskatchewan Vegetable Marketing and Development Plan	5
Appeals Under the Act	5
Board and Commission Operations	5
Saskatchewan Broiler Hatching Egg Producers' Marketing Board	5
Saskatchewan Chicken Marketing Board	6
Saskatchewan Commercial Egg Producers' Marketing Board	8
Saskatchewan Pork Producers' Marketing Board	10
Saskatchewan Pulse Crop Development Board	12
Saskatchewan Sheep and Wool Marketing Commission	13
Saskatchewan Turkey Producers' Marketing Board	14
Saskatchewan Vegetable Marketing Commission	15
National Marketing Agencies	16
Canadian Chicken Marketing Agency	16
Canadian Egg Marketing Agency	16
Canadian Turkey Marketing Agency	17
Saskatchewan Appeal to the National Farm Products Marketing Council	17

To His Honour
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province
of Saskatchewan

Sir:

I have the honour to submit the 1986 Annual Report of the Saskatchewan Natural Products Marketing Council.

Respectfully submitted,



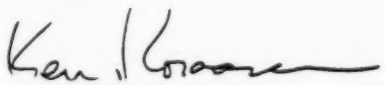
Grant Devine
Premier and
Minister of Agriculture

Honourable Grant Devine
Premier and
Minister of Agriculture
Legislature of Saskatchewan
REGINA, Saskatchewan
S4S 0B3

Dear Premier Devine:

In accordance with section 10 of **The Natural Products Marketing Act**, I submit herewith the Annual Report of the Natural Products Marketing Council for 1986.

Respectfully submitted,



Ken Rosaasen, Chairman
Natural Products Marketing Council

Duties of Council

The Natural Products Marketing Council is established under **The Natural Products Marketing Act**, R.S.S. 1978. This Act allows for the creation of marketing boards and marketing commissions for farm products in Saskatchewan. The duties of the Natural Products Marketing Council as outlined in section 7 of the Act include:

(a) advise the Minister on all matters relating to the establishment and operation of boards, commissions, and any agencies empowered to act under this Act;

(b) be responsible to the Minister for the operation and administration of boards and commissions and for that purpose, shall make and enforce such regulations as may from time to time be approved by the Lieutenant Governor in Council;

(c) conduct or supervise votes on marketing plans as required by the Lieutenant Governor in Council or the Minister;

(d) perform such other duties relating to the marketing of natural products as the Minister may require.

Saskatchewan Natural Products Marketing Council Members
(as of December 31, 1986)

Mr. Ken Rosaasen, Vice-Chairman, Saskatoon
Mr. Al Mulhern, Meyronne
Mr. Fred Stokes, Dubuc
Mr. J.F. Stueck, Balcarres
Mrs. Shirley Warden, Regina

Staff
Mr. Roydon G. White, Secretary, Regina

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Introduction

The Natural Products Marketing Council is pleased to report a successful year for 1986. Although Council completed the year with five members, two short of its usual compliment of seven members, a good deal of progress was made. Some of the major issues included:

- A thorough review and subsequent approval of a full set of marketing orders rendering the newly established Saskatchewan Broiler Hatching Egg Producers' Marketing Board operational;

- An extensive review of a full set of marketing orders of the Saskatchewan Chicken Marketing Board for the purpose of revising and updating the current orders;

- Collaboration with the Chicken Marketing Board on a successful appeal to the National Farm Products Marketing Council over the implementation of a Periodic Penalty System that was unfair to small provincial markets;

- The continued development and assessment of the proposed Saskatchewan Vegetable Marketing and Development Plan;

- The continued review of boards and commissions for the purpose of identifying and resolving industry concerns; and

- The maintenance of a positive relationship with boards and commissions and ensuring that they operated within the terms of reference contained in their respective marketing plans.

No appeals were heard by Council in 1986. This is evidence that boards and commissions have effectively addressed producer and industry concerns. Council will continue to encourage this high level of communication in 1987.

Council remains concerned about the number of producers in the supply managed industries. Council recognizes that some new producers have been established through unit purchase and industry expansion. However, producer numbers have declined by more than 18 percent over the last decade in spite of significant market growth in the poultry sector. Council will review the factors that lead to this trend and encourage the reversal of this phenomenon in 1987.

Council looks forward in 1987 to encouraging Saskatchewan marketing agencies to actively develop their industries to take advantage of existing production opportunities. Efforts will be continued in identifying growth potential in chicken and turkey processing as well as other commodities.

Council remains sensitive to public and producer interests and will continue to supervise the operation and activities of marketing agencies established under the authority of **The Natural Products Marketing Act**.

Supervision of Marketing Boards and Commissions

In 1986 the Natural Products Marketing Council was responsible to the Minister of Agriculture for the operation and administration of the following marketing boards and commissions under **The Natural Products Marketing Act**:

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board
The Saskatchewan Chicken Marketing Board
The Saskatchewan Commercial Egg Producers' Marketing Board
The Saskatchewan Pork Producers' Marketing Board
The Saskatchewan Pulse Crop Development Board
The Saskatchewan Sheep and Wool Marketing Commission
The Saskatchewan Turkey Producers' Marketing Board
The Saskatchewan Vegetable Marketing Commission

In order to fulfill its responsibility for the operation of these boards and commissions, Council engaged in the following activities:

1. The minutes of meetings of boards and commissions were reviewed;

2. Council representatives attended meetings of boards and commissions and reported back to Council;

3. Joint meetings of Council with officials of the following marketing boards and commissions were convened:

   Saskatchewan Broiler Hatching Egg Producers' Marketing Board;
   Saskatchewan Chicken Marketing Board;
   Saskatchewan Commercial Egg Producers' Marketing Board;
   Saskatchewan Pork Producers' Marketing Board;

Saskatchewan Sheep and Wool Marketing Commission; and
Saskatchewan Vegetable Marketing Commission;

4. Council members attended the annual meetings of the poultry marketing boards as well as the Pork Producers' Marketing Board and The Vegetable Marketing Commission;

5. Council cooperated with the poultry boards in representing Saskatchewan at the national signatories meetings;

6. Council reviewed the annual reports of the boards and commissions.

The Natural Products Marketing Council reports that the marketing boards and commissions met their obligations under **The Natural Products Marketing Act** in 1986.

Approval of Board and Commission Marketing Orders

Marketing boards and commissions exercise certain powers granted to them by their marketing plans through marketing orders. These orders require Council approval. Council reviewed and approved the orders listed below in 1986:

Saskatchewan Broiler Hatching Egg Producers' Marketing Board

Order No. 1/86 - Quota Establishment
Order No. 2/86 - Operating Fees and Reports
Order No. 3/86 - Licensing
Order No. 4/86 - Cancellation of Licenses
Order No. 5/86 - Price and Production Negotiating Committee
Order No. 6/86 - Production Interruption
Order No. 7/86 - Production Adjustment and Permits
Order No. 8/86 - Quota Transfer
Order No. 9/86 - Quota Waiting List
Order No. 10/86 - Penalties

Purpose: The Orders provide operational ability to the Board. Council approved the Orders after determining that the regulations met the purposes and objectives as specified under the supply management system set out in the Plan.

Saskatchewan Commercial Egg Producers' Marketing Board

Order No. 28/86 - Order Respecting Egg Type and Dual Purpose Hatchery Supply Flock Operators.

Purpose: The Order provides for the regulation of egg type and dual purpose hatchery supply flock operators by requiring operators to submit reports on a regular basis.

Order No. 29/86 - Order Respecting Quality of Eggs.

Purpose: The Order establishes an effective egg quality program for Saskatchewan producers.

Order No. 30/86 - Unified Levy and Interest Charges.

Purpose: The Order updates the current Order by providing levy relief to producers who request a voluntary standown during peak production season.

Order No. 31/86 - Quota, Permits and Production Units.

Purpose: The Order updates the current Order by allowing smaller production units to expand to a more efficient scale while discouraging subdivision of large units for the purpose of reward.

Order-in-Council No. 979/86 - Delegation of Authority from the Canadian Egg Marketing Agency (CEMA).

Purpose: The Order-in-Council confers authority to the Board to perform on behalf of CEMA the function of allotting and administering quota for the marketing of eggs in interprovincial and export trade.

Saskatchewan Pork Producers' Marketing Board

Order No. 1/86 - Fees and Levies.

Purpose: The Order updates the current Order by raising the marketing levy ceiling from 1.0 percent to 1.25 percent of gross hog value in order to generate sufficient operating revenue.

Saskatchewan Pulse Crop Development Board

Order No. 1/86 - Levy Collection.

Purpose: The Order changes the current levy remittance procedure from an annual to a monthly basis to allow responsiveness and timely incorporation of new producers into the Plan.

Saskatchewan Sheep and Wool Marketing Commission

Revoking Order No. 5/78 - Registration of Livestock Dealers, Processors, Sheep Associations and Wool Dealers.

Purpose: The Order was revoked because it was not feasible to enforce the registration of all buyers, especially when many transactions and small volume buyers cannot be identified. Major dealers are currently being licensed by the Livestock Branch of Saskatchewan Agriculture.

Saskatchewan Turkey Producers' Marketing Board

Order No. 26/86 - Operating Fees and Service Charges.

Purpose: The Order updates the current Order to metric measurements. The Order also changes the current monthly reporting and levy submission requirements to a more flexible system of reporting that is dependent upon marketing volume.

New Marketing Plans Reviewed in 1986

Under **The Natural Products Marketing Act**, plans for new marketing boards are referred by the Minister of Agriculture to the Natural Products Marketing Council for review and recommendation. In 1986, Council acted on a proposal by the Vegetable Marketing Commission for the establishment of a marketing board.

Saskatchewan Vegetable Marketing and Development Plan

The Saskatchewan Vegetable Marketing and Development Plan was initiated in 1985. The Plan proposed two fundamental changes to the current structure:

1. A producer check-off would be established on commercial vegetable sales in order to fund development initiatives; and

2. The appointed Commission would be replaced by a producer- elected board.

In 1986, Council reviewed the status of producer interest in the proposal. Council met with the Saskatchewan Vegetable Commission in 1986 and determined that producer information meetings would be appropriate to gauge producer reaction to the proposal and modify the proposal where required. These meetings were scheduled for early in 1987.

Appeals Under the Act

The Natural Products Marketing Act allows any person aggrieved by a decision of a marketing board or marketing commission to appeal the matter to the Natural Products Marketing Council. Council hears the parties involved, and makes a ruling on the appeal.

No appeals were brought forward in 1986. Council is pleased that the conciliation process used by boards and commissions has been successful since concerns by individuals were addressed prior to coming to Council.

Board and Commission Operations

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board

The Saskatchewan Broiler Hatching Egg Producers' Marketing Plan was established on August 12, 1985 under the authority of **The Natural Products Marketing Act**. The board of directors for 1986 were:

Gerry Leduc, Chairman, Assiniboia
Mervyn Slater, Vice-Chairman, Tramping Lake
George Murray, Director, Saltcoats

G.J. Novak, Manager, White City

The Board regulates the production of broiler hatching eggs used for the commercial production of broiler chicken in Saskatchewan. On July 25, 1986 ten marketing orders were established giving the Board the operational means to allot initial quota to producers, administer the collection of a levy and manage the supply of broiler hatching eggs in Saskatchewan.

National Agency

On November 27, 1986 the Canadian Broiler Hatching Egg Marketing Agency was established. The participating provinces are Manitoba, Quebec and Ontario. The Board has declined to participate in the National Agency. The Board considers that Saskatchewan producers would not have anything to gain, since the National Agency would require that Saskatchewan producers cut back on production in order to join the Plan. Other provinces that contemplate joining are Alberta and British Columbia.

Producer Numbers

Fifteen producers registered with the Board in 1986. Licenses and initial quota allocation issued to producers in 1986, totalled 104,030 hens, indicating a potential production of 15.08 million hatching eggs. Flock sizes indicate the distribution of quota and are presented in the following table.

Broiler Hatching Egg Flock Sizes in Saskatchewan

Flock Size (Number of Breeder Hens)	Number of Quota Holders
100 - 999	2
1,000 - 2,999	4
3,000 - 4,999	1
5,000 - 6,999	2
7,000 - 10,000	4
18,000	1
28,500	1
Total	15

1986 Marketings

Since the marketing orders were established on August 12, 1986, 3,575,335 eggs have been marketed at an estimated value of $729,021.74. Through consultation with hatcheries, the Board established a price of 26.5 cents per chick (less 2% for culling) that remained in effect until year-end.

Extension Services

Extension services to the poultry industry are provided by the University of Saskatchewan. The poultry boards and Saskatchewan Agriculture have shared the cost of extension services for producers. It is expected that the Board will authorize an appropriate grant to the University of Saskatchewan commensurate with its share of the services.

Producer Levy

The 1986 levy was set at 0.30 cents/egg delivered to the hatchery. The hatcheries co-operated by submitting the required check-offs to the Board.

1986 Review

The Board became fully operational in 1986. A conciliation committee was named and effectively addressed a producer complaint regarding the initial quota allocation. The Board is considering a quota expansion in 1987.

The Saskatchewan Chicken Marketing Board

The Directors of the Saskatchewan Chicken Marketing Board for 1986 were:

Charles Stueck, Chairman, Abernethy
John Reddekopp, Vice-Chairman, Dalmeny
Ray Hayko, Director, Regina
Dave Keet, Director, Vanscoy
Phil Stilborn, Director, Balcarres

G.J. Novak, Manager, White City

The Saskatchewan Chicken Marketing Board, in conjunction with The Canadian Chicken Marketing Agency (CCMA) regulates the quantity of chicken produced in Saskatchewan. The Saskatchewan Board sets the price of chicken through negotiation with poultry processors. The objective of the Board is to improve and stabilize producer returns by managing product supplies.

Producer Numbers

There were 68 producer licenses issued in 1986. Five transfers were approved by the Board, which involved a total of 99,000 broilers. An average of 5.2% of production quota changed hands in 1986 as compared to 9% in 1985.

Distribution of Quota Holdings
(Number of Producers)

Flock Size	Jan. 1 1984	Jan. 1 1985	Jan. 1 1986	Jan. 1 1987
1,000 to 9,999	2	3	4	2
10,000 to 14,999	22	25	9	10
15,000 to 19,999	12	11	30	30
20,000 to 29,999	7	6	9	7
30,000 to 39,999	6	6	6	7
40,000 birds or more	9	9	9	8
Total Registered Broiler Growers	58	60	67	64
Roasters only	5	5	3	7

The quota base is presently 1.58 million broilers/cycle at 1.77 kg /bird and six cycles per year, plus roasters of 216,040/year. In 1986 a conversion was implemented to allow cornish hen producers to utilize their quota of 79,000 head/year.

Breakdown of Chicken Production from 1983 to 1986

Year	Type of Bird	No of Birds	Live Weight (kgs)	Ave. Live Bird Weight (kgs)
	Broilers			
1983		7,016,100	12,150,000	1.73
1984		7,925,455	14,023,000	1.77
1985		8,378,260	14,861,800	1.77
1986		8,902,000	16,123,100	1.81
	Roasters			
1983		115,580	352,700	3.05
1984		171,928	529,700	3.08
1985		212,148	656,300	3.09*
1986		223,904	691,328	3.09

* Revised from the Natural Products Marketing Council Annual Report 1985

Percent increase in live kgs produced from 1985-86: Broilers - 8.5%
Roasters - 5.3%

Total dollar value of chicken production from registered growers was slightly less than in 1985, due to lower producer prices throughout 1986.

Value of Production to Producers from 1983 to 1986

Year	Value	Production
1983	$14.10 million	12,502,700 kg
1984	$17.80 million	14,552,700 kg
1985	$17.76 million	15,518,100 kg
1986	$18.39 million	16,814,428 kg

Prices (all prices in $/kg live weight)

The following graph illustrates the broiler producer price changes in 1986 in comparison to price changes in 1985. Thirteen price changes were implemented in 1986, generally as a result of downward price changes of neighbouring provinces.

Producer Levies

The 1986 check-off stayed constant at 1.025 cents/kg. CCMA's share is 0.21 cents/kg. The check-off produced a total of $171,331.00, of which $35,980.00 went to CCMA.

Quota Allocation

The 1986 Saskatchewan total chicken quota allocation was 13,355,714 kg eviscerated weight. Total provincial production was 12,251,868 kg (evisc.); a shortfall of 8.26%.

In 1986, the Board implemented four production level changes in order to comply with processor requirements. The Board began the year producing at 85% of full quota allocation. On March 1, production quota increased to 95% and on May 1, to 100%. On November 1, production quota was reduced to 95% of allocation and remained at this level for the rest of the year.

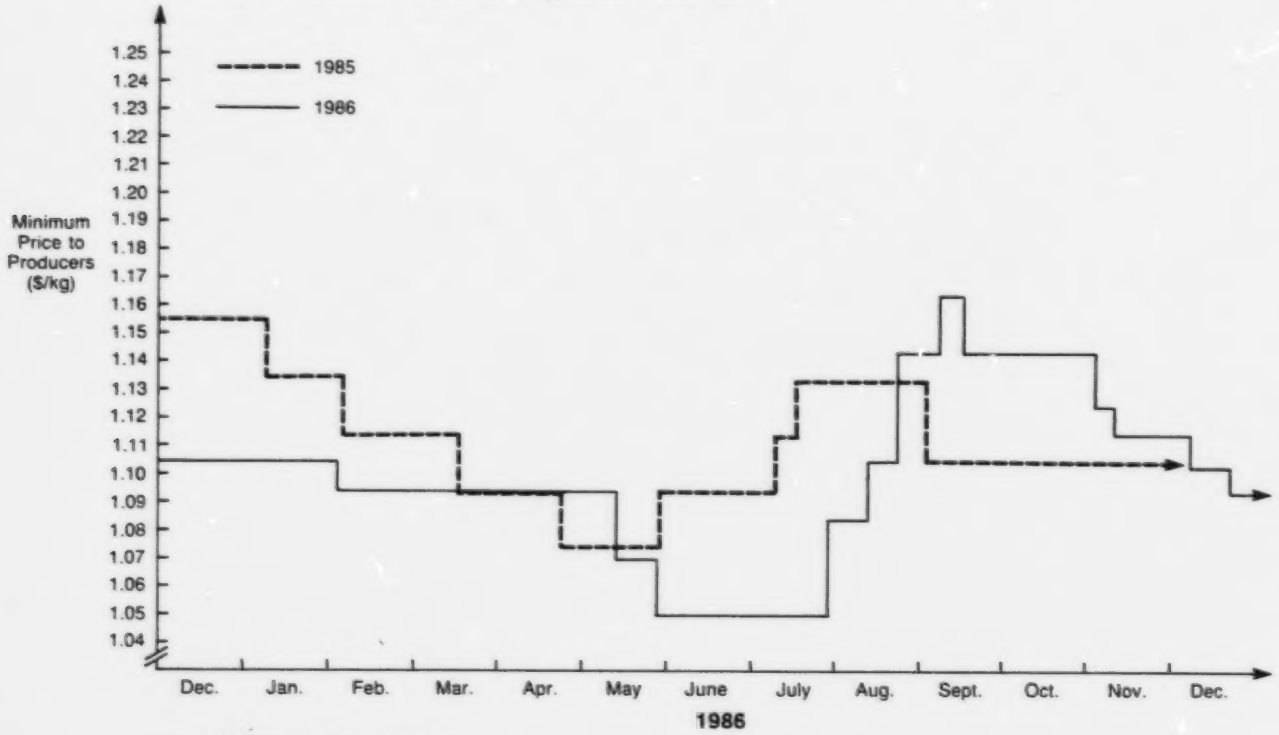
Producer Extension Program

In 1986 Saskatchewan Agriculture provided core funding for the grower extension program operated for the three poultry boards by the Western College of Veterinary Medicine and the Department of Animal and Poultry Science at the University of Saskatchewan. Three regional seminars were held in 1986 and 38 registered producers took advantage of the seminars. The Chicken Board's share of funding in 1986 for the program was $5,750.

Promotion

The Board, under agreement with "Just Chicken" continues to conduct barbecues. In 1986, 11,872 halves of chicken were cooked.

Broiler Producer Price Changes in 1985-86*



* *Source: Saskatchewan Chicken Marketing Board*

Approximately 8,000 pieces of literature (cook books and recipes) were mailed out to schools and institutions.

Point of sale material was distributed at the Canadian Western Agribition as well as at the Farm Progress Show. At both these activities the Board had Home Economists demonstrating conventional and microwave methods of cooking chicken. Taste samples of cooked chicken were distributed. At the 1987 Canadian Western Agribition a show is being planned for the promotion of chicken. The Board is assisting in organizing producer entries.

The Saskatchewan Commercial Egg Producers' Marketing Board

The Directors of the Saskatchewan Commercial Egg Producers' Marketing Board for 1986 were:

Don Guenter, Chairman, Saskatoon
Linda Boxall, Vice-Chairman, Regina
Keith Colborn, Director, Delisle
Duncan Crick, Director, Gravelbourg
Carol Teichrob, Director, Saskatoon
Harry Waddell, Director, Humboldt

Dave Mackie, Manager, Regina

The Saskatchewan Commercial Egg Producers' Marketing Board, in conjunction with the Canadian Egg Marketing Agency (CEMA), manages the quantity of eggs produced in Saskatchewan for the table-egg market and sets the price of eggs. The board's objective is to improve and stabilize producer returns.

Production and Marketing

The following table gives a historical record of the number of registered producers, along with their marketings and the value of those marketings:

Yearly Value of Table Egg Marketings

Year	Producers	Marketings (million doz.)	Value of Marketings ($ million)
1980	116	13.80	10.83
1981	104	14.27	12.70
1982	104	14.19	12.65
1983	100	15.20*	13.24*
1984	99	13.83	12.49
1985	92	14.37	12.50
1986	85	14.68	13.01

* Revised

Note: These figures are corrected from the figures shown on the Natural Products Marketing Council 1985 Annual Report

1986 Table Egg Price Levels to Producers

The following graph illustrates the prices changes put into effect by the Board throughout 1986.

Quota Allocation

The total layer quota of 700,172 layers in the commercial flock virtually remained unchanged from the 1985 figure of 701,172 layers.

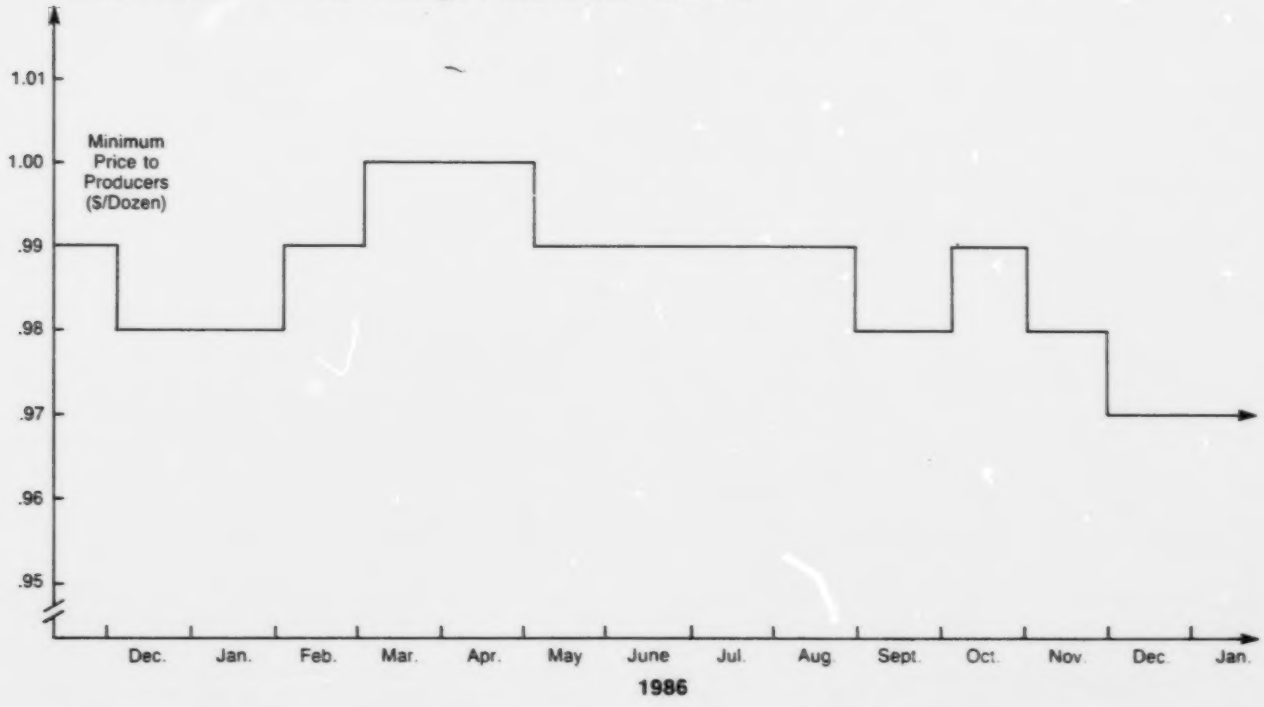
Commercial Egg Quota Distribution

Flock Size	Number of Producers Jan. 1, 1985	Jan. 1, 1986
300 - 500	1	0
501 - 1,000	8	4
1,001 - 3,000	18	14
3,001 - 5,000	23	20
5,001 - 10,000	19	14
10,001 and over	23	33
TOTAL	**92**	**85**

1986 Review

Generally, 1986 has been a successful year as egg producers continue to fare well even in relation to the

Canada Grade "A" Extra Large Price Levels in 1986*



* Source: Saskatchewan Commercial Egg Producers Marketing Board Price Bulletins Nos. 189 to 196

economically difficult times for agriculture. An upward trend in table egg consumption in Canada is heartening and no doubt is mostly a result of CEMA's promotion program.

Extension services for egg producers in 1986 remained a co-operative program with the other feather boards, the University of Saskatchewan and Saskatchewan Agriculture.

Challenges remain in 1987, particularly for the CEMA. These issues include the establishment of a Code of Farming Practice to ensure a responsible approach to animal welfare; the resolution of concerns of the Consumer's Association of Canada and achieving an egg pricing formula that is fair to all producers in Canada.

The Saskatchewan Pork Producers' Marketing Board

The 1986 Board of Directors were:

Garth Larsen, Chairman, Semans
William Z. Neudorf, Vice-Chairman, Hague
Ken Jamieson, Battleford
John Kirzinger, Leroy
Wayne Vermette, Kyle
Ken Wipf, Aylsham
Richard Wright, Wawota

Jim Morris, General-Manager, Saskatoon

The Board markets all slaughter hogs produced in Saskatchewan, provides production and marketing information to producers through the Board's regular newsletter, contributes toward research projects for hogs, promotes pork consumption and administers Saskatchewan's part of the National Tripartite Stabilization Program for Hogs.

1986 Marketing Highlights

	1985	1986
Total Hog Sales (No.)	819,672	740,704
Hogs settled by small plants and sow auctions	24,031	18,888
Total Saskatchewan Marketings	843,703	759,592
Active Production Units	5,122	4,109
Gross Paid to Producers	$105.8 million	$97.2 million
Weekly Delivery Highlights		
High - week ending Aug. 22/86	19,278	16,849
Low - week ending Dec. 24/86	10,232	10,707
Average Weekly Deliveries	15,426	13,864
Grading Highlights		
Average Index (excluding 67's)	103.40	103.40
% Hogs Grading 102 and over	79.29	76.60
Average Hog Weight, Dressed, kgs	79.29	76.60
Price Highlights		
Average Hog Price per ckg*, dressed, index 100	$144.47	$174.31
Average Gross Value per Hog	$118.47	$142.55
High - pool price week ending August 22, 1986	$160.20	$223.90
Low - pool price week ending April 25, 1986	$124.50	$137.10
Average sow price, per ckg. Dressed #1 Heavy	$ 97.62	$116.45
Boar Sales		
Number Sold	4,004	2,684
Total Value	$520,108.22	$423,297.89

* ckg. = 100 kgs

Note: Weights expressed in kilograms; prices expressed in dollars per 100 kilograms.

Destination of Hogs, Sows, Boars

(1986 Compared to 1985)

Destination	Quantity		Percentage	
	1985	1986	1985	1986
Intercon, Saskatoon	651,589	686,124	79.49	92.64
Saskatchewan Small Plants	25,557	20,682	3.12	2.79
Alberta	5,217	557	0.64	0.07
Manitoba	66,898	13,289	8.16	1.79
U.S.A.	70,411	20,052	8.59	2.71
Totals	819,672	740,704	100.0	100.0

1986 Marketing Summary

Marketings in 1986 were 740,704 head; this is a decrease of 78,968 from 1985 (9.6%). The number of production units marketing hogs through the Board in 1986 decreased to 4,109 units, however, the total value of hogs increased to $105.61 million, up 8.7% from $97.20 million in 1985.

Destination of Hogs

In 1986, Intercontinental Packers, Saskatoon, slaughtered 92.63 percent of Saskatchewan marketings of which 25 percent was custom killed for the Saskatchewan Pork Producers' Marketing Board Provisions Department. Live hog shipments to the U.S.A. dropped from 8.59 percent in 1985 to under three percent in 1986. Shipments of live hogs to Manitoba and Alberta also dropped significantly.

Pork Promotion

Nineteen eighty-six was an exciting year for pork promotion as it marked the inauguration of a national Food Service Program. Saskatchewan producers have endorsed and are now contributing an extra five cents per hog to support the Food Service Program. Canada Pork, an organization formed to co-ordinate Canada's pork publicity programs is the new pork promotion vehicle for the future.

Several nationally co-ordinated food service programs were held in Saskatchewan along with several provincially co-ordinated promotions in restaurants ranging from small cafes and institutions to large hotels with "executive" dining rooms.

The traditional programs involving distribution of resource materials such as recipe brochures, continued. These resource materials, as in previous years, are made available to the public through programs such as consumer trade shows, primary and secondary schools, industry, related conventions and general consumer requests.

Canadian Meat Month was held in February, 1986.

Saskatchewan Pork Producers Marketing Board Production Research Committee

The function of the Production Research Committee, founded in 1984, is to establish priorities and provide funding for pork production oriented research. Priorities include:

1. Monitoring animal health and developing health standards.
2. Pale, soft exudative pork/stress susceptibility.
3. Environment control.
4. Longevity studies on sows in fifth and sixth parity.
5. Base funding for the Veterinary Infectious Disease Organization, (VIDO).

The Committee is funded by a 0.05% check-off. At December 31, 1986, the operating balance was $280,148.73.

1986 Market Review

Nineteen eighty-six began with lower than anticipated hog prices, but, when supplies dried up, markets exploded and soared to record breaking levels in August. Record hog prices were augmented by declining feed prices, a combination that resulted in excellent profit margins for pork producers.

The 1986 average hog price was $174.31 per 100 kgs ($79.07/cwt), $21.43 per 100 kgs ($9.72/cwt) above 1985 prices. Number one, Heavy, sows averaged $116.45 per 100 kgs ($52.82/cwt), $19.00 per 100 kgs ($8.62/cwt) higher in 1985.

Saskatchewan marketed 740,704 hogs in 1986, down approximately ten percent compared to 1985, and this contributed the first production decline in four years. Because of excellent profit margins in the later half of 1986, 1987 marketings are expected to rise to the 1985 level of 800,000 hogs.

Price increases were gradual in the first half of 1986 but gained rapidly in the second half. The first quarter average was $174.69 per 100 kgs ($66.99/cwt); the second quarter average advanced to $153.93 per 100 kgs ($69.82/cwt). In the third quarter the average peaked at $206.90 per 100 kgs ($93.85/cwt) and receded to $187.57 per 100 kgs ($85.08/cwt) in the fourth quarter.

Outlook for 1987

Because of reduced feed grain costs and higher than expected profitability in the hog sector, the Saskatchewan Pork Producers' Marketing Board is anticipating an increase in marketings in 1987 of approximately eight percent. Price expectations are good for most of the year but with a price softening anticipated in the fourth quarter. Prices for the first quarter are projected to be between $154.32 and $165.35 per 100 kilograms ($70.00 - $75.00 /cwt);

prices in the second quarter should increase between $165.35 and 176.37 per 100 kgs ($75.00 - $80.00/cwt); third quarter prices should range from $176.37 to $187.39 per 100 kgs ($80.00 - $85.00/cwt); and fourth quarter prices should drop back to between $154.32 and $165.35 per 100 kgs ($70.00 - $75.00/cwt).

The Saskatchewan Pulse Crop Development Board

The Directors of the Saskatchewan Pulse Crop Development Board in 1986 were:

Ron McKinnon, Chairman, Abernethy
Greg Simpson, Vice-Chairman, Moose Jaw
Ron Blais, Delmas - resigned in June 1986
Chris Hale, Director, Rouleau
Tony Gaudet, Director, Bellevue
Tom Mann, Director, Drinkwater
Don Tait, Director, Elrose

Donald Jacques, Administrator, Regina

The Saskatchewan Pulse Crop Development Board was incorporated in July, 1984. The general purpose and intent of the Saskatchewan Pulse Crop Development Board is to provide for the orderly marketing and effective development of the Saskatchewan pulse crop industry. Specific purposes are:

1. To promote and develop the pulse crop industry in Saskatchewan;

2. To develop procedures to maximize returns to producers of pulse crops;

3. To gather, compile and distribute information related to production, consumption and marketing of pulse crops;

4. To conduct and encourage research on the production, marketing, processing and consumption of pulse crops; and

5. To promote and improve understanding among individuals and organizations within the pulse crop industry.

Producer Marketings

During 1986, approximately 2,500 producers registered with the Board. The levy collected from producers amounted to approximately $218,000.00.

The estimated value of Saskatchewan pulse crops marketed in 1986 is 43 million dollars.

Activities in 1986

Through the administration of a check-off program, the Board generates funds for administration, research and promotion. Some of the activities in 1986 included seven Board meetings, industry meetings, participation in the Agribition Grain Show and in the Western Canada Pulse Growers Meeting. The Board broadened distribution of its newsletter in 1986. All growers regularly receive the newsletter which highlights research, extension and marketing activities of the Board.

The Board met with the Saskatchewan Crop Insurance Board in 1986 to address grower concerns regarding grading, dockage, desiccation coverage and the level of premiums.

Producer meetings organized by the Board were well attended and dealt with matters on current projects and issues of the industry.

The Board participated in meetings concerning the method of payment of the Special Canadian Grains Program. However, pulse crops were not included in the payment and the Board is planning to appeal this decision to the Western Review Board.

Research Projects

During the last year, the Saskatchewan Pulse Crop Development Board supported eight research projects, most of them at the University of Saskatchewan:

1. Lentil Inoculation Study: The study determined that the good strains of inoculant were capable of increasing the amount of nitrogen in lentil dry matter by up to 300%, but seed yield was not always increased.

2. Cooking Quality of Lentils: The study determined that environmental effects such as location and year have significant affects on the speed of cooking, a major determinant of cooking quality.

3. MCPA-tolerant Lentil Cultivar: The study will evaluate some selected MCPA-tolerant lentil lines for performance at various locations in the province.

4. Phosphate Placement in Peas: The study determined that rates of 28 kg/ha (25 lb/ac) of P205, placed with the seed, caused stand thinning and sometimes yield reduction.

5. Herbicide Stress on Rhizobial and Mycorrhizal Symbiosis in Peas and Lentils: The study determined that trifluralin markedly reduced the frequency of mycorrhizal infection in lentil roots, but had no effect on pea roots.

6. Seed-Born Ascochyta in Lentils: The study determined that there was a very low rate of transmission of ascochyta infection from lentil seeds to lentil seedlings in the field in 1986.

7. Automatic Data Recording System: This project collected weather data which will be correlated with growth data on lentil plants and used to develop a computer model of lentil plant growth as affected by various weather factors.

8. "Indian Head" Lentil Management: The study will compare the effectiveness of three different management systems for the annual green manure lentil cultivar "Indian Head".

Excellent progress has been made on these projects over the last two years. Most of this research could not have been done without support from the pulse producers through our levy. The Board appreciates the matching funds granted by the Economic and Regional Development Agreement-Agriculture Sub-agreement. Several new projects are planned for 1987.

The Saskatchewan Sheep and Wool Marketing Commission

The Directors of the Sheep and Wool Marketing Commission for 1986 were:

Dale Donald, Chairman, Rockhaven
Colleen Sawyer, Vice-Chairman, Saskatoon
Leslie Flaig, Director, Tompkins
Ed MacCallum, Director, Swift Current
Donald Paterson, Director, Marsden
Larry Sothmann, Director, Elrose

Jim Koal, General Manager, Saskatoon

The Sheep and Wool Commission provides a marketing service for producers who wish to have the Commission market their sheep and wool. The Commission also administers a check-off on sheep and wool which is used to fund activities to promote and develop the sheep industry and pay part of the Commission's costs of operation.

Summary of Sheep and Lamb Marketings

The following is a summary of the marketings of the Sheep and Wool Commission in 1986, as compared with 1985 and 1984:

1986 Marketing Summary

	1984	1985	1986
No. of Lambs Marketed	12,967	9,249	7,310
Average Gross Value per Head	$66.42	$79.96	$80.11
Average Selling Cost per Head	$5.41	$5.53	$5.43
No. of Sheep Marketed	2,605	1,601	1,383
Average Gross Value per Head	$27.67	$37.27	$43.75
Average Selling Cost per Head	$5.62	$5.88	$4.90
Total No. of Sheep & Lambs Marketed	**15,572**	**10,850**	**8,693**
Total Gross Value	$933,358	$799,176	$646,130
Total Selling Cost	$84,841	$60,569	$46,513
Average Selling Cost per Head	$5.44	$5.58	$5.35

Sheep and Lamb Marketing

The gradual downward trend in market activity of 1985 continued in 1986. However, the 1986 trend appears to be a result of flock rebuilding. High prices for replacement ewes indicate producer confidence in market prospects.

The outlook for 1987 is quite positive as prices remained strong at the end of 1986. The number of slaughter lambs is expected to increase in 1987.

Sheepman's Supplies

The Commission sells sheepman's supplies as a service to producers. There was a slight increase in demand for these supplies in 1986. The expected increased sheep production in 1987 should result in stronger sales in 1987.

National Tripartite Stabilization

The National Tripartite Stabilization Program for Lamb went into effect in 1986. Approximately 100 producers entered the program in Saskatchewan. Future sign-ups are likely to remain slow as a result of strong market prices.

Research, Development and Extension Activities

The Irrigated Pasture Project, as approved for funding by the Economic and Regional Development Agreement (ERDA: Agriculture Sub-agreement) began in 1986. The project will study intensive grazing under irrigation with electrified fence predator control. A shepherd-irrigation position is expected to be filled in 1987 to enable establishment of ewes with lambs on pasture by May, 1987. The project is drawing a good deal of interest from farmers in the community since it provides a livestock based alternative for diversification from straight grain farming.

Two proposals that are currently being considered for funding by ERDA are:

- a lamb marketing study to examine the feasibility of local processing and marketing of lamb; and
- a Regional Shepherd Program where beginning sheep producers are guided by experienced and qualified people in the region.

The Saskatchewan Turkey Producers' Marketing Board

The Directors of the Saskatchewan Turkey Producers' Marketing Board in 1986 were:

Dennis Billo, Chairman, Bruno
Perry Kirkham, Vice-Chairman, Saltcoats
Jack Rynsburger, Director, Melville
Ed Rosenberg, Director, Humboldt
Fred Kurulak, Director, Biggar

Fred Longstaff, Manager, Regina

The Saskatchewan Turkey Board participates in the Canadian Turkey Marketing Agency to manage the quantity of turkey produced in Saskatchewan. The Board also establishes the price at which turkeys produced in Saskatchewan are sold. The objective of the Board is to improve and stabilize producer returns.

Production and Marketing

The following table gives a historical account of registered producers, along with their production and the value of production:

Yearly Value of Turkey Marketings

Year	Producers	Production (tonnes evisc.)	Production Value (000's of $)
1980	25	3,814	5,510
1981	26	3,382	5,800
1982	22	3,783	6,617
1983	22	3,730	6,266
1984	23	3,780	6,836
1985	23	3,854	6,900
1986	25	3,995	7,236

In 1986, total marketings by Saskatchewan producers were 3,994,573 kgs (eviscerated), with a total value of $7,236,000.00. There were two price changes in 1986, and based on minimum prices, the Board's average price was $1.49 per live kg, up from $1.40 in 1985.

The disposition of marketings on an eviscerated basis is shown in the table below.

1986 Market Breakdown by Destination

	Kilograms	Percentage 1985	Percentage 1986
In-Province - Sask.	2,456,659	62.0	61.5
Out-of-Province			
- Alberta	882,334	24.0	22.1
- Manitoba	655,580	14.0	16.4
Total Marketings in 1986	3,994,573	100.0	100.0

Summary for 1986

Nineteen eighty-six has been a good year for turkey producers. In general, lower feed prices, good demand and strong market prices have allowed a reasonable return on investment. During 1986, nine small producers (under 113,000 kgs), were advised of an increase in base quota of 11,047 live kgs. Distribution of quota is described in the table below.

Saskatchewan Turkey Quota Distribution

Production Category (live kgs/yr. x 1000)	Number of Producers 1985	1986
10 - 99	9	8
100 - 199	6	6
200 - 299	5	5
300 - 399	0	2
400 - 499	3	3
500 - 599	1	0
600 and over	1	1
Total	25	25

Outlook for 1987

Nineteen eighty-seven is expected to be a good year for the industry in terms of continued growth. The Board intends to offer 108,600 kgs (live) of new base quota to persons on the quota waiting list. As well, permits have been issued for 1987 tom production to compensate for growth in this category. A significant change in 1987 is the expected increase in the percentage of tom marketings. Total marketings are expected to increase in the first period and taper off in the second period.

Producer Concerns

The challenge is growing to adjust to a changing market. Producing to the increased demand for processed turkey (tom category) in the right periods has become an important national and provincial consideration. Over one-third of live product leaves Saskatchewan for processing. The Saskatchewan turkey industry will have to adjust to take advantage of the increased base quota as a result of the growth in the further processing sector. Serious consideration must be given to expanding Saskatchewan's capacity to process its own product before any significant quota increases can be captured from the expansion in the further processing sector.

Extension services for turkey producers were provided in 1986 by the University of Saskatchewan through cooperative funding by the poultry marketing boards and Saskatchewan Agriculture.

The Saskatchewan Vegetable Marketing Commission

The Directors of the Saskatchewan Vegetable Marketing Commission in 1986 were:

William Childerhose, Chairman, Outlook
Don Dabbs, Director, Saskatoon
Eugene Johns, Director, Henribourg
Carl Larson, Director, Radville
Kim MacDougall, Director, Lumsden

The Saskatchewan Vegetable Marketing Commission promotes the development of the vegetable industry in Saskatchewan through marketing services, extension, promotion, research and development.

Marketing Plan

The proposed Saskatchewan Vegetable Marketing and Development Plan suggests two major changes:

a) Replacement of the current appointed Commission with a producer-elected board; and

b) Establishment of a check-off for commercial vegetable growers to generate enough revenue to become self- sufficient.

Steps to bring a new marketing plan to a vote were near completion in 1986. After producer meetings in early 1987, a producer vote on the plan is likely later on in the year.

Information Services

The Saskatchewan Vegetable Marketing Commission office continued to provide Saskatchewan producers with a regular newsletter. The newsletter deals with prices, trends and forecasts along with pertinent information on government programs and policies.

Programs

The Saskatchewan Vegetable Marketing Commission was able to successfully negotiate a Production Loan Program for potato producers in 1986. This program was used by 39 growers with a total loan requirement of $658,250.00. The Saskatchewan Vegetable Marketing Commission continued its work with the Saskatchewan Crop Insurance Corporation to provide a basis for crop insurance for vegetable production.

National Potato Marketing Agency

The Saskatchewan Vegetable Marketing Commission has a continued involvement in the development of a national marketing program. Several meetings with the National Farm Products Marketing Council in 1986 have resulted in the development of a proposal which will come before public hearings in 1987. The Saskatchewan Vegetable Marketing Commission will have input into the public hearing process through a

submission to the National Farm Products Marketing Council. Saskatchewan potato producers are not interested in joining since the five-year base for the National Plan would result in major cutbacks in production levels in Saskatchewan. Recent growth towards meeting provincial requirements is not reflected in the five-year average. Producers are also concerned that proposed regulations appear to restrict the flow of product from unregulated areas to regulated areas, thus limiting Saskatchewan's potential for growth.

Registration

In excess of 55 growers registered with the Commission for the 1986-87 season. These registrations accounted for approximately 3,100 acres of potatoes and nearly 300 acres of other vegetables. Saskatchewan potato production continues to meet a higher percentage of the Saskatchewan market each year and for the 1985-86 season, Saskatchewan production accounted for 75 percent of the market in Saskatoon and Regina.

National Marketing Agencies

The Natural Products Marketing Council is a signatory to three federal-provincial agreements which have established national marketing agencies for chicken, turkey and eggs. National agencies, consisting of producer representatives from each participating provincial commodity board, operate as a result of these agreements. The agencies manage the quantity of these products produced in Canada. The agencies include the Canadian Chicken Marketing Agency, the Canadian Turkey Marketing Agency and The Canadian Egg Marketing Agency.

Each national agency allocates a Canadian quota among participating provincial commodity boards, who in turn allocate their provincial allotments to individual producers within provincial boundaries. The national agencies target production to meet market demand at a price which covers the average producer's cost of production plus a reasonable return on investment. The Canadian Egg Marketing Agency prices eggs centrally, while provincial commodity boards price chicken and turkey.

As a signatory to each of the federal-provincial agreements, the Natural Products Marketing Council has duties relating to the operations of the national marketing agencies. Meetings of the signatories to the agreements were held in 1986. The National Farm Products Marketing Council presides over the meetings. The purpose of the meetings is to review the performance of each Agency in fulfilling its obligations under its federal/provincial agreement and to discuss agency issues and problems.

Canadian Chicken Marketing Agency (CCMA)

The Canadian Chicken Marketing Agency signatories meeting was held on June 3, 1986.

The Agency's review addressed the main issues facing the industry. One of the major issues included the current bilateral trade negotiations. The CCMA expressed concern to the signatories over its failure to be given the opportunity to contribute to the recent trade talks. The Agency indicated it would be putting forward its position forcibly to the Federal government. The Agency review also introduced the Periodic Penalty System and proposed implementation on January 1, 1987. Saskatchewan and New Brunswick expressed strong concerns over the penalty mechanism and recommended the Agency review the system prior to implementation. In October 1986, an appeal by Saskatchewan, as supported by New Brunswick, was successful in having the penalty system tabled and sent back to CCMA for revision.

Agriculture Canada presented a motion to remove production cutbacks as a punitive measure to provinces overproducing chicken, but the motion was defeated.

The Agency's recent restructuring of the Supply-Management Committee was addressed by a resolution which strongly recommended that the CCMA consider reinstating all provincial representatives as voting members on the committee. The CCMA subsequently complied with the recommendation.

Saskatchewan and Manitoba introduced a successful motion requesting accurate and up-to-date information on the regional pattern of global imports. Further discussion added the recommendation that External Affairs consider decreasing the amount of annual global imports (currently set at 6% of the previous year's production).

Canadian Egg Marketing Agency (CEMA)

The Canadian Egg Marketing Agency signatories meeting was held on May 28, 1986.

The Agency review expressed concern over the perceived impact of the recent Nielsen Report, GATT and bilateral trade negotiations upon the poultry industries.

The national "overbase" problem was addressed by a report from a joint CEMA and National Council Committee. Alternatives were identified for CEMA to consider in resolving current overbase allocation problems.

The Agency presented the "provincial pricing proposal" for approval by signatories. As in 1985, the proposal did not receive the unanimous support of the signatories that is required for a change to the agreement. Saskatchewan supported the proposal, but other signatories felt that the proposed system was open to price and formula manipulation by provinces who seek a greater market share.

Canadian Turkey Marketing Agency (CTMA)

The Canadian Turkey Marketing Agency signatories meeting was held on May 29, 1986.

The Agency review presented proposed amendments to the marketing plan for the purpose of gaining unanimous approval. The proposals did not gain the full support of the signatories necessary to adopt either the "house keeping" changes or a change that would allow a "five-year rolling base" to be used to determine provincial base quota allocations.

The Province of British Columbia raised special objection to the Agency's proposed amendment on the Breeder Credit. The amendment would allow extra allocation to go to provinces such as Ontario for the marketing of spent breeder turkeys. B.C. was opposed because "special interest" allocations were being gained by receiving provinces at the expense of others who have little or no stake in the breeder industry.

In summary, all three signatories meetings met with limited progress in the form of passing amendments to the respective marketing plans. Because amendments must be unanimously agreed upon in order to carry, some participants at these meetings expressed frustration over the lack of progress. A consensus is growing among signatories that the national regulatory system appears to lack the ability to adjust and grow with the changing needs of the three poultry agencies. Efforts to address this concern will be a priority in 1987 for National Farm Products Marketing Council.

Saskatchewan's Appeal to the National Farm Products Marketing Council over the Proposed Periodic Penalty System of the Canadian Chicken Marketing Agency (CCMA)

On September 11, 1986, The National Council heard Saskatchewan's appeal on CCMA's proposed Periodic Penalty System (PPS) to be implemented on January 1, 1987. A joint presentation was made by the Saskatchewan Natural Products Marketing Council, the Saskatchewan Chicken Marketing Board and Saskatchewan Agriculture. The concerns were:

a) that the PPS would put Saskatchewan at a serious disadvantage since any production intentions were required to be identified and declared four to six months in advance of the actual production period. Due to the nature of the Saskatchewan market, the PPS was neither feasible nor practical; and

b) the PPS would create unfair advantages to large provinces through an unbalanced periodic penalty sleeve. The proposed penalty sleeves for large provinces actually increased over current limits.

The decision of National Council concluded that the proposed PPS would not be more effective than the current system in fulfilling the objective of a closer balance between production and allocation on a periodic basis. In effect, the CCMA was asked to develop a balanced penalty system that would be fair to both large and small provinces.